

# Administration & Regulation Buying Team

## Request for Results FY 2007

**Results:** High quality, low-cost administrative services to state departments; effective and efficient compliance monitoring of regulated entities and individuals; and encouraging diversity in Iowa's population.

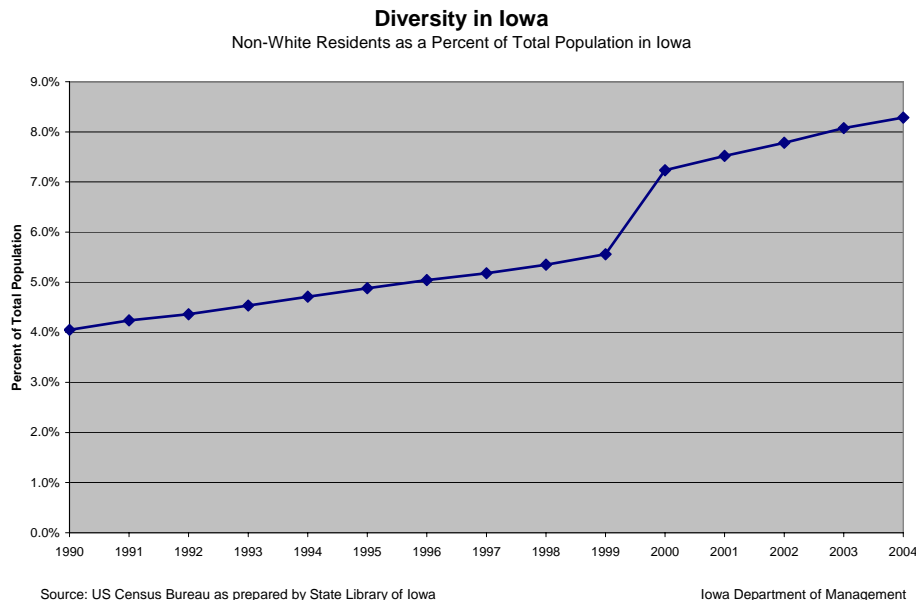
### Indicators:

1. Maintain or improve the State's AA+ credit rating. A high quality credit rating has many benefits: permits comparison among states for financial performance; provides objective measures for Iowans to evaluate the state's financial condition; permits policy makers to measure progress in financial matters. It also reduces borrowing costs and the price of State government. The administrative agencies of the state can affect the financial performance of the State.

2. Maintain or improve the State's overall B grade from the Government Performance Project. Only seven states ranked higher than Iowa in the Government Performance Project's "Grading the States '05" report published in February 2005.

In addition, maintain or improve the State's grade in the four subcategories measured in the report: Money B+; People B; Infrastructure B; Information B.

3. Increase Diversity. Increasing diversity among racial and ethnic minorities can accelerate growth in Iowa's population. Population growth has been identified as a key driver in economic growth for the state. All State departments have a mandate to spur economic growth and one strategy to attract and retain minorities is to offer better economic opportunities than other states.



## Strategy Map

The cost of administration is a major component of the budget for every department and agency of state government. Good administrators and administrative services impact the cost and effectiveness of every governmental operation from alcohol distribution to Zoology teaching. Departmental managers depend on adequate space, modern serviceable equipment, trained employees, information systems, etc. to fulfill their missions. The convenience and dependability of those goods and services can either facilitate or impede their ability to produce results for citizens. At the same time, accountability for spending is fixed with Department managers so they need flexibility and a measure of control over the quality and quantity of services they purchase and the cost of those services. Managers of administrative departments should be held accountable for meeting the departments' needs as customers, not for regulating the customers.

Regulation of business entities is one of the most important roles of government because it enhances citizens' sense of security. It is equally important that regulated entities be treated respectfully with access to regulators, information and education necessary to meet requirements. The requirements of regulation should never be needlessly burdensome or costly to entities or individuals that strive to comply. Ease of compliance with business regulation should be a competitive advantage for the State's economic development.

The Iowa 2010 report pointed out that if Iowa and its economy are going to grow at least as fast as the national averages then it is essential that our workforce grow through attracting and retaining young, educated citizens. Economic developers and employers in rapidly growing industries have found that an important factor in recruiting young workers is communities with diverse populations that hold the promise of economic opportunities for women and racial and ethnic minorities. The following strategies will allow administrative departments, regulators and advocates to effectively serve their customers, hold down costs and protect the public:

*Provide tools of E-Government.* Field examiners should be able to conduct their work with minimal disruption and low cost. Customers and field staff should have access to on-line reporting systems and remote access to files and information to facilitate reporting and analysis. They need modern equipment and frequent training. Regulated entities and individuals should be able to report, train employees, ask questions, and review regulatory findings on-line. The public should have access to information on regulated entities and individuals timely, in a form they can use, at minimal cost.

*Encourage compliance.* Compliance should not needlessly burden regulated entities. Departments should measure and set a goals for the cost of compliance burden and for percent of voluntary compliance. Regulated entities and individuals should have easy access to rules, training materials, training opportunities, and technical assistance, along with access to rule makers. The same opportunities should exist in rural and urban communities. Rules should be written to be easily understood with clearly defined requirements to comply with the laws. Regulated entities are entitled to expect the

same type of service other citizens receive including: low fees, minimal waiting and consistent and prompt adjudication.

*Lean Business Processes.* Department directors and agency administrators need access to the best management tools and assistance including strategic planning, performance measurement and the tools to periodically review and streamline business processes.

*Risk-based assessment.* State agencies have the responsibility to efficiently and effectively provide regulatory oversight by prioritizing attention on entities which require more focused oversight.

*Encourage entrepreneurial management .* The positive aspects of the private market place have been brought to bear on administrative services by rewarding customer satisfaction, competitive pricing, and granting customers a measure of control over the services they purchase. At the same time, state government needs to use its enterprise-wide size to take advantage of economies of scale. Goods and services offered to state departments should be high quality and convenient. Prices should be discounted to private market levels and held relatively steady year by year. Departments should have the flexibility to determine the amount they use. The level of quality should be comparable to that available in the community where they are delivered.

*Promote sharing arrangements.* Small agencies and divisions can enhance their effectiveness and reduce costs by innovative sharing arrangements of staff and equipment and serve as models of administration for the entire enterprise. Sharing administrators and specialists such as accountants, purchasing agents, human resource specialists, etc. can hold down costs and give small departments access to resources they could not otherwise afford. Large departments can increase volume and efficiency by entering into sharing arrangements with smaller, co-located departments or those with similar missions.

*Encourage diversity.* The State has vital interests in: nationwide outreach to potential new Iowans, particularly minorities; assisting our communities to be culturally competent; and demonstrating that Iowans are intolerant of discrimination. As one of the largest employers in the state with periodic job openings in nearly every community, in a wide range of occupations and skill levels, state government should lead the way in recruiting, hiring and promoting qualified women and minorities.

#### **All Offers Should:**

1. Be innovative and bold in implementing the leadership agenda and the values of expanding opportunity, expecting responsibility and assuring security. Offers should continue or improve programs that produce efficient results. Offers are not limited to the services the State of Iowa currently provides in the way we currently provide them. If an offer includes a service the State currently provides, the offer should improve upon those services. Adapt best practices to Iowa.

2. Use the principles of smarter sizing, smarter spending, smarter management and smarter leadership to produce better results with the available resources. Some principles that will do that include:
  - Consolidating services in a smart way;
  - Buying services competitively;
  - Using flexibility to produce accountability;
  - Allowing Iowans to have choices;
  - Granting money to Iowans, rather than institutions;
  - Making administrative systems allies, not enemies;
  - Improving work processes and productivity;
  - Improving the availability, quality, use, and sharing of data;
  - Purchasing prevention, not remediation;
  - Separating steering and rowing;
  - Producing voluntary compliance;
  - Targeting subsidies;
  - Purchasing less mistrust; and
  - Blending or braiding revenue streams.
3. Divest lower value strategies so that there is more money to invest in higher value strategies. The state cannot simply continue to provide all of the services it currently provides, because some of those services do not directly relate to the results Iowans want most. To provide those results, the State must target its resources toward services and programs that will directly impact those result areas. Investments must also target populations, regions or aspects of a delivery system that most need attention.
4. Encourage collaboration and partnerships. The State of Iowa cannot do everything alone. Iowans expect state departments to work together as well as with other levels of government, non-profits, and the private sector. The State's investments must build upon and work with community based organizations and initiatives. Partnerships require incentives. The State cannot construct a budget based on the hope that partners will fund a portion of the service, if those deals have not been discussed with the partners.
5. Show measurable results.
6. Build on organizational core competencies. When offers are made to fund existing state services, they should build upon that service's strengths. Offers should improve upon the results that Iowans expect and want from state government, not abandon the core service.
7. Promote cultural competence. Diversity is important to the future of Iowa. Offers should welcome and serve diverse populations.

## ADMINISTRATION & REGULATION BUYING TEAM

